

## Message Text

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PAGE 01 SINGAP 00925 010305Z  
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 COME-00 CIAE-00 INR-10

NSAE-00 STR-07 /036 W

-----070221 010641Z /14

R 280900Z FEB 78

FM AMEMBASSY SINGAPORE

TO SECSTATE WASHDC 9730

INFO USLO PEKING

AMEMBASSY TOKYO

AMEMBASSY TAIPEI

AMCONSUL HONG KONG

CINCPAC

LIMITED OFFICIAL USE SINGAPORE 0925

CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: EQIP, CH

SUBJECT: PRC INTEREST IN BUYING JACK-UP RIG FROM BETHLEHEM

SINGAPORE

1. SHERMAN PERRY, MANAGER OF BETHLEHEM SINGAPORE PTE. LTD., HAS RECENTLY RETURNED TO SINGAPORE FROM PEKING AFTER 17 DAYS OF DISCUSSION WITH PRC OFFICIALS CONCERNING CHINESE PURCHASE OF A BETHLEHEM-TYPE JACK-UP RIG NOW UNDER CONSTRUCTION IN SINGAPORE. PERRY WILL RETURN TO PEKING AFTER A FEW DAYS HERE TO ASSEMBLE FURTHER COST FIGURES AND OTHER DATA DESIRED BY THE CHINESE.

2. ACCORDING TO PERRY, CHINESE INTEREST IN PURCHASING RIG IS INDICATED BY FACT THEY HAVE ASKED HIM NOT TO OFFER IT FOR SALE TO ANYONE ELSE UNTIL THEY HAVE MADE THEIR DECISION. PERRY IS AGREEABLE, HOPING THAT SALE OF THIS ONE RIG MAY LEAD TO FURTHER SALES. ALTHOUGH IN THEIR FORMAL DISCUSSIONS WITH HIM THE CHINESE HAVE NOT SPOKEN OF BUYING MORE THAN ONE RIG, HINTS HAVE BEEN

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DROPPED INFORMALLY THAT SUCH MIGHT BE THE CASE IF THEY FIND INITIAL PURCHASE ARRANGEMENTS AND RIG PERFORMANCE SATISFACTORY.

3. CHINESE APPARENTLY HAVE RESERVATIONS CONCERNING THE MAT-TYPE JACK-UP RIG BUILT BY BETHLEHEM BASED ON UNFAVORABLE EXPERIENCES WITH THE "FUJI," WHICH WAS PURCHASED FROM JAPAN AND IS OF DESIGN SIMILAR TO THAT OF BETHLEHEM RIG ALTHOUGH SMALLER.

PERRY HAS DEVOTED CONSIDERABLE TIME TO EXPLAINING MERITS OF MAT-TYPE RIG WHEN PROPERLY HANDLED. ADDITIONAL PROBLEM IS THAT CHINESE WANT TURNKEY ARRANGEMENT, WHEREBY RIG WOULD BE TURNED OVER FULLY EQUIPPED INCLUDING BLANKETS ON BEDS AND DISHES IN MESS HALL. THIS IS NOT USUAL CONDITION IN SALE OF RIGS.

4. YET ANOTHER PROBLEM FOR PERRY IS THAT CHINESE HAVE SPECIFIED CATERPILLAR DIESEL ENGINES. ALTHOUGH RIG COULD BE COMPLETED BY OCTOBER IF BETHLEHEM WERE GIVEN MORE FREEDOM IN SELECTION OF EQUIPMENT, PERRY IS DOUBTFUL THAT NECESSARY CATERPILLAR DIESELS WOULD BE OBTAINABLE BY THIS TIME.

5. NEVERTHELESS, PERRY REMAINS VERY OPTIMISTIC ABOUT PROSPECTS FOR SALE. HE WILL BE CONTACTING USLO UPON RETURN TO PEKING.

6. PLEASE TREAT THIS REPORT AS COMMERCIALLY SENSITIVE INFORMATION.  
HOLDRIDGE

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PROCUREMENT, EQUIPMENT  
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